

# Wabasso EDA Revolving Loan Fund Application

Applicants/Business Name \_\_\_\_\_

Phone Number \_\_\_\_\_

Business location \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zipcode \_\_\_\_\_

Contact Person \_\_\_\_\_

Title \_\_\_\_\_

Email \_\_\_\_\_

Project Title \_\_\_\_\_

Proposed Start Date \_\_\_\_\_

**Type of Business:**

\_\_\_\_\_ Service

\_\_\_\_\_ Sole Proprietorship

\_\_\_\_\_ Manufacturing/Industrial

\_\_\_\_\_ Partnership

\_\_\_\_\_ Retail

\_\_\_\_\_ Corporation (and date incorporated)

\_\_\_\_\_ Other \_\_\_\_\_

**Type of Development**

\_\_\_\_\_ **Start-up**

\_\_\_\_\_ **Expansion**

\_\_\_\_\_ **Retention**

**Loan Purpose:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Brief Description of the Business:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Primary Bank:** \_\_\_\_\_

**Primary Accountant:** \_\_\_\_\_

**Primary Attorney:** \_\_\_\_\_

**Applicant Signature:** \_\_\_\_\_

**Date** \_\_\_\_\_

## Wabasso EDA Guidelines and Checklist

The RLF will be administered by the Wabasso EDA in partnership with contracted staff of RADC (Redwood Area Development Corporation).

### General Guidelines:

The purpose of the Wabasso EDA RLF is to provide gap financing for new and/or existing businesses, and/or retention of significant jobs with viable plans for making improvements, locating or expanding in the City of Wabasso. The RLF may also be used to provide financing for community development and infrastructure improvements that would promote economic development in the City of Wabasso.

Other loan parameters include:

- Require that any potential applicants have secured other matching funds on at least a 1:1 ratio.
- Terms and conditions of any loan will be at the discretion of the Wabasso EDA. Interest rates and terms will be flexible and contingent upon amount of loan, equity, collateral, and matching fund ratio. Interest rates will reflect the length of the term and the risk of each loan and the rate will be fixed at the time of approval.
- Terms: Working capital, 0-3 years; Machinery & Equipment, 5-10 years; Real Estate, 5-10 years
- 1 FT equivalent job must be created or retained for every \$10,000 of loan proceeds. If jobs are NOT created, the business must show that the RLF monies will have significant community impact through other means (i.e.: increased tax base). Jobs created should be made available to low and moderate income people if at all possible.
- Loans may be amortized for a longer term and ballooned at a sooner date as deemed appropriate by the EDA.
- The RLF will take a written secured subordinate position on collateral as a minimum requirement; such statements will be filed with appropriate agencies.
- **Applicants will be required to provide with application any and all information deemed necessary by the EDA – see checklist below!** Applications will be reviewed by the EDA with recommendations made to the Wabasso City Council. All final decisions will be made by the City Council.
- Personal guarantees and collateral assignment of life insurance policies on principals may also be required

### Checklist for Application:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li><input type="checkbox"/> Completed Business plan</li> <li><input type="checkbox"/> Personal Financial Statement – form attached – current <b>within 90 days</b> for each proprietor, partner, or stockholder with 29% or more ownership</li> <li><input type="checkbox"/> Resumes of the principals involved in the day-to-day management</li> <li><input type="checkbox"/> A balance sheet and income statement for the previous three years for the business. <b>Historical tax statement will be sufficient.</b></li> <li><input type="checkbox"/> A balance sheet and income statement dated 90 days of the application together with an aging of the accounts receivable and accounts payable listed.</li> <li><input type="checkbox"/> A projected, annualized income statement for the first two years after the loan with a description of the assumptions attached.</li> <li><input type="checkbox"/> Documentation proving expressed need for gap financing. This could be provided by your lender in the form of a rejection letter OR a letter stating maximum terms and conditions of their commitment!</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Corporate and/or Individual Income Tax Returns from the last three years.</li> <li><input type="checkbox"/> A schedule of any previous government financing received by any principals or affiliated companies. Include the name of the agency, original date and amount, outstanding balance, status of the loan, and collateral securing the loan.</li> <li><input type="checkbox"/> The names of affiliated (through ownership or management control) or subsidiary businesses as well as the last two fiscal year-end financial statements and a current financial state for each of these firms.</li> <li><input type="checkbox"/> An independent appraisal</li> <li><input type="checkbox"/> Certification of Incorporation and Corporate Resolution authorizing the corporation to borrow money from the RLF.</li> <li><input type="checkbox"/> Copy of current or proposed lease on buildings and/or equipment associated with the business.</li> <li><input type="checkbox"/> Key cost documents (i.e. – vendor quotes, contractor estimates, purchase agreements (associated with the project).</li> <li><input type="checkbox"/> Signed authorization for release of information</li> </ul> |
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### Submit Application to:

Julie Rath, Economic Development Specialist  
Redwood Area Development Corporation, 200 S Mill St, Redwood Falls, MN 56283

**Processing steps:**

- All information given by the applicant to the EDA will become public information, but shall be classified as private data with regards to specific information inherent to the business.
- Staff will review the application along with the Wabasso EDA and forward their recommendation to the Wabasso City Council for their consideration at their next council meeting.
- Final approval of any loan will be by majority vote of the Wabasso City Council
- Wabasso EDA Secretary will notify applicant of the City Council action.
- Wabasso EDA Secretary and/or City Attorney will prepare documents for closing and file the necessary security agreements.
- Checks will be received at the time of closing.
- Your monthly loan payment will be an ACH withdrawal to the City of Wabasso on the first of each month.
- Press release will be given to the media
- Contract staff will monitor the loan, monthly payments, report any problems that the clients are struggling with, and will make an annual visit to the borrower's business.
  - If SWIF is a partner in the gap financing, they will provide up to \$5000 for technical assistance/monitoring for the first 12-18 months.
- Annual reports will be given to the Wabasso City Council on the status of the RLF loan and any current outstanding loans.
- In the event of default, Wabasso City Council through the EDA board will attempt to make reasonable collection of the outstanding debt, and any and all costs associated with such collection.

## WABASSO Business employee's worksheet

Name of Business: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

Use this worksheet to provide employee information. (The example below will assist you in completing the full-time equivalent portion of the worksheet)

1. Number of full-time employees: \_\_\_\_\_

2. Number of Full-time equivalent employees:

Part-time Employee	Wage	Total Hours worked Annually
#1	_____	_____
#2	_____	_____
#3	_____	_____
#4	_____	_____
#5	_____	_____
#6	_____	_____
#7	_____	_____
#8	_____	_____
Total part-time hours worked annually:		_____
Divided by 1820 hours		_____
Full-time Equivalent employees		_____

Applicants Signature: \_\_\_\_\_ Date: \_\_\_\_\_